GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:490
ANSWERED ON:18.11.2016
Tax Incentives for Card Payments
Jayavardhan Dr. Jayakumar

Will the Minister of FINANCE be pleased to state:

490. DR. J. JAYAVARDHAN:

QUESTION
Will the Minister of FINANCE be pleased to state:
(a) whether the Government has set up a high level Committee to suggest steps to promote card payments through incentives;
(b) if so, the details thereof and composition of the Committee along with the issues on which Committee will give its recommendations; and
(c) the time by which the high level Committee likely to submit its report to the Government?

Answer

ANSWER
MINISTER OF STATE FOR FINANCE
(SHRI ARJUN RAM MEGHWAL)
(a) Yes.

(b) A Committee was constituted on 23rd August, 2016 to review the Framework related to Digital payment system in the country and to recommend appropriate measures for encouraging digital payments. The term of reference of the committee include:
â€¢ To study and recommend need for changes, if any, in the regulatory mechanism under the various acts relevant for the purpose of promotion of payments by digital modes;
â€¢ To study and recommend ways for leveraging Unique Identification Number or any other proof of identity for authentication of card/ digital transactions
â€¢ To study introduction of single window system of Payment Gateway to accept all types of Cards/ Digital Payments of Government receipts and enable settlements between consumer and merchants via NPCI or other agencies.
â€¢ To study and recommend various measures to incentivize transactions through cards and digital means, e g., through tax rebates/ incentives, introduction of cash back/ lottery etc.
â€¢ To identify regulatory bottlenecks and suggest changes to promote payment by card/ digital means and make recommendations on any other matter related to promotion of payments through Digital means.
â€¢ To study and make recommendations on any other matter related to promotion of payments through Cards and Digital Means etc.

The composition of Committee is as follows:
1. Shri Ratan P. Watal, Pr. Advisor, NITI Ayog and Former Finance Secretary -(Chairman)
2. Shri H. R. Khan, Former Deputy Governor, Reserve Bank of India - Member
3. Secretary, D/o Investment and Public Asset Management or his Nominee (Not below the rank of Joint Secretary) - Member
4. President, NASSCOM - Member
5. Chairman, Indian Banks association - Member
6. Chairman, Payments Council of India - Member
7. President, Internet and Mobile Association of India - Member
8. Chairman, CBDT - Member
9. Director General, UIDAI - Member
10. Executive Director, Reserve Bank of India - Member
11. Joint Secretary, D/o Economic Affairs - Member

(c) The Committee shall submit its report within three months from the date of its constitution.

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